

Murray City Municipal Council Chambers Murray City, Utah

The Municipal Council of Murray City, Utah, met on Tuesday, the 13th day of June 2006 at 6:30 p.m., for a meeting held in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Roll Call consisted of the following:

Krista Dunn,	Council Chair
Pat Griffiths,	Council Member
Jim Brass,	Council Member
Robbie Robertson,	Council Member - Conducted
Jeff Dredge,	Council Member

Others who attended:

Daniel Snarr,	Mayor
Jan Wells,	Chief of Staff
Frank Nakamura,	City Attorney
Shannon Huff Jacobs,	Council Director
Carol Heales,	City Recorder
Doug Hill,	Public Services
Pete Fondaco,	Chief of Police
David Larsen,	MIS Director
Dan Barr,	Library Director
Cory Plant,	Murray Recreation
Don Whetzel,	Finance Director
Blaine Haacke	Assistant General Manager
Boy Scouts	
Citizens	

Meeting conducted by Robbie Robertson.

Mr. Robertson noted there is a tradition with our Council Meeting to have each Scout introduce themselves, give their names, Troop # and what Merit Badges they are working on. He invited the Troop Leaders to stand also, and introduce themselves.

A. OPENING CEREMONIES

1. Pledge of Allegiance

Pete Fondaco, Chief of Police

2. Approval of Minutes

None

3. Special Recognition(s)

B. CITIZEN COMMENTS (Comments are limited to 3 minutes unless otherwise approved by the Council.)

None

C. CONSENT AGENDA

None scheduled.

D. PUBLIC HEARING(S)

None scheduled.

E. UNFINISHED BUSINESS

1. Consider an Ordinance adopting the final 2006-2007 Fiscal Year Budgets for Murray City including the Library Fund Budget Subject to Compliance with the requirements of Utah Code Annotated Title 59, Chapter 2.

Mr. Dredge made a motion to adopt with the modifications, the property tax rate, to accept the Mayor's recommended rate of 40.8% which would result in a net effect of putting an additional \$280,000 in the budget as revenue and then put another \$280,000 in the Public Works Department to be used specifically for road construction and maintenance.

Mr. Brass 2nd the motion.

Call Vote recorded by Carol Heales.

AYE/NAY

A Mr. Brass
A Ms. Griffiths
A Ms. Dunn
A Mr. Dredge
A Mr. Robertson

Motion passed 5-0

F. NEW BUSINESS

1. Consider an Ordinance amending Section 2.30.050 of the Murray City Municipal Code relating to the amount of the In-Lieu-of-Tax Transfer from the Power Enterprise Fund to the City's General Fund, the method for calculation, and changing the definitions and parameters of various Reserve Accounts in the Power Fund.

Staff Presentor: Don Whetzel, Finance Director

Mr. Whetzel noted this particular ordinance makes several substantial changes in the old ordinance of Financial Standards for the Power Department. It moves the In-Lieu-of-Tax Transfer for the Power Department up to 5.7% of actual operating revenue. It also redefines those items that will be included in that operating revenue and those items which will be excluded. The ones that are included now which were not included before were items such as wholesale power sales. Things excluded would be the Schedule 30, Supply Cost Adjustment Clause.

The change in reserves category. Mr. Merrill and Mr. Whetzel met a few weeks ago and wanted to consolidate down into more respectable amounts. What they have done is taken three different reserves from the old ordinance and consolidated them down into one "*Operating & Ordinary Capital Reserve Account.*" This takes care of the old working capital, the old working power expense and the old ordinary capital projects expense. It sets that at 12.5% of approved annual Power Department Operating Revenues. Dollars wise those wind end up being the same amount. Mr. Whetzel went through and calculated that out so the amount was as we had coming in before.

Renewal and Replacement Account. That particular one is required by our Bond Covenants and is held by Zions First National Bank. We met that by \$200,000 a year until it reaches the total of \$1,000,000, and then in the fiscal year 08, 09, we intend to put an inflationary factor in there so that bumps it up each year to increase that slightly. Once we put that Million dollars in there the sooner we'll be drawing 4 or 5% interest on that account then that will automatically increase by about 4% a year. They should be pretty close to the CPI, so hopefully no more money will be required from the Power Fund, once we reach that million-dollar level.

Mr. Whetzel continued, the new Hunter II Reserve is set at \$1,900,000. We used some money received from the SO2 Credits Sales and funded that particular one. That will be drawn down to zero and at some point in time will disappear. For a considerable point of time this particular Power Plant has not been overhauled for so many years, it is about 25 years old currently, and it is scheduled for a complete overhaul within the next two to three years. That one eventually will go away.

Gas Turbine Overhaul Reserve. The maximum account was set at \$3,000,000 and again that will be on a cycling basis. There are three gas turbines which the 1st one will be overhauled the 1st year, the 2nd one the 2nd year, and the 3rd one the 3rd year. It depends on the number of hours they have on each one of these gas turbines.

The last reserve is the one we have had in the past which is basically a catchall and it will take us a long time in reality to build these four reserves to where they should be, but the last one is always sitting there to have reserves for future facilities, such as adding to the gas turbine account. Now we have three of them, we have projected to maybe put 3 more in there, if we so chose to.

Mr. Brass made a motion to approve amending Section 2.30.050 of the Murray City Municipal Code relating to the amount of the In-Lieu-of-Tax Transfer from the Power Enterprise Fund to the City's General Fund, the method for calculation, and changing the definitions and parameters of various Reserve Accounts in the Power Fund.

Mr. Dredge 2nd the motion.

Call Vote recorded by Carol Heales.

AYE/NAY

A Mr. Brass
A Ms. Griffiths
A Ms. Dunn
A Mr. Dredge
A Mr. Robertson

Motion passed 5-0

2. Consider an Ordinance amending Section 12.30.010 of the Murray City Municipal Code relating to Fees for the Park Center.

Staff Presenter: Doug Hill, Director, Public Services

Mr. Hill noted this Ordinance does three things in summary:

1. It adds sales tax to membership that are sold at the Park Center. Currently the sales tax that we pay for membership sales come out of the price that we charge the member. The proposed changes would add it to the price. Example, if an adult were to come in and purchase a membership they would pay \$200.00; the new price with the sales tax added, would be \$213.00. That would be for all of the memberships for annual memberships, 3-months membership and 1-month memberships.

The amount of money that is generated through this is really insignificant when compared to the entry budget of the Park Center. It was estimated it would bring in about \$25,000 of new revenue of about \$1.2 Million of the Operating Budget.

2. This change incorporates language allowing us to start to sell Fitness Passes. This is something that in the trend of recreation centers and private fitness centers has been going on for the past couple of years. We have had several of our members ask why don't we incorporate something like this into our center. It is an option, and it is not going to be incorporated into the price of the membership.

If someone wants to participate in fitness classes, they will have several alternatives. Right now they are able to purchase punch cards which would allow them to attend fitness classes based on the number of punch cards they have. We will still continue to have those available, but we are increasing the prices slightly on those punch cards.

We are also going to offer a 3-month unlimited pass and 1-year annual unlimited pass. For example, if you are a member of the Park Center, for \$150.00 you can purchase an annual pass which would allow you unlimited free admission into all of the fitness classes. This would be water aerobics, cycling, spinning, yoga, or any of the group fitness classes. It would not include swim lessons, volleyball leagues, day camp programs that are run out of the Park Center.

3. Discounts for organizations that purchase bulk memberships. This originated through the Mayor's Office at the request of the Mayor. He had been approached by several large businesses in the city that said, "we would like to purchase memberships to the Center because of its location and proximity, and we are trying to offer an employee incentive program for them to get fit and stay healthy." We felt like if the city would offer them some discounts they would be willing to purchase these in advance effective starting July 1, 2006. Individuals that purchase memberships at the same time, they will receive a 10% discount, if there are 50 or more, there will be a 20%, and if there are 100 or more there will be a 30% discount off the membership fees.

These changes have been reviewed by the Parks and Recreation Advisory Board and come with a positive recommendation.

Ms. Griffiths made a motion amending Section 12.30.010 of the Murray City Municipal Code relating to Fees for the Park Center.

Ms. Dunn 2nd the motion.

Call Vote recorded by Carol Heales.

AYE/NAY

<u>A</u>	Mr. Brass
<u>A</u>	Ms. Griffiths
<u>A</u>	Ms. Dunn
<u>A</u>	Mr. Dredge
<u>A</u>	Mr. Robertson

Motion passed 5-0

Mr. Hill wanted to thank Cory Plant, who is present here tonight, for his assistance in working all of these changes through and Mr. Hill appreciates his involvement in it.

3. Consider an Ordinance amending Sections 13.40.050, 13.40.070, and 13.40.130 of the Murray City Municipal Code relating to the Price of Lots, Perpetual Care, Fees for Services, and Overtime Charges in the City Cemetery.

Staff Presentation: Doug Hill, Public Services

Mr. Hill noted the ordinance essentially is increasing many of the fees that we charge at the cemetery. The price of lot sales are proposed to increase; the price of services such as burials or disinterments is proposed to increase and also the overtime rates which we charge for weekend and holiday burials are proposed to increase. For example, individuals purchasing just a cemetery lot would currently pay \$500.00 for that lot. The proposal is to increase it to \$650.00. That is just an example and there are several other proposed changes in that ordinance.

The reason that this is being proposed is that the Cemetery Superintendent was feeling that people were choosing to be buried in Murray City Cemetery not necessarily because it is a community cemetery, but because we were the cheapest cemetery in Salt Lake Valley. We were being inundated by people looking for a bargain, and of course Murray City Cemetery not only is it a bargain, but it is probably one of the best and most attractive cemeteries to be buried in.

Several years ago we purchased additional land for the cemetery on the north end of the cemetery, and it was projected that at the current rate of sales at that time, this property would be available for burial for approximately 15 additional years, but at the current rate of sales, we are selling about 250 lots per year. It is now estimated that in five years the lots of the cemetery will be sold out.

Mr. Hill doesn't know if increasing the fees will necessarily slow down the pace of sales at the cemetery, but it is going to bring us within the market. It is anticipated it will generate an additional \$35,000 in new revenue into the Cemetery Fund. These have been reviewed by the Parks and Recreation Advisory Board and come with positive recommendation.

Ms. Dunn asked is there a reason why we don't have resident/nonresident fees?

Mr. Hill answered, the City at one time, which predates Mr. Hill, he was told that the City did have resident and nonresident fees and several cemeteries do. When you talk to the staff that previously worked at the cemetery and the current staff, the reason for not having them is, just the administration of who is a resident and who is a nonresident. There has always been a concern about how you determine that at the time of sale.

For example, many people may spend their whole lives living in Murray and the last few years of their life they may end up in a care facility located outside of Murray, are they a resident or a nonresident, or vice versa. From an administrative perspective, the cemetery staff felt like it was better just to have one fee and charge everyone the same rate and that has been the practice for at a decade and a half.

Mr. Brass made a motion to adopt the ordinance.

Ms. Griffiths 2nd the motion.

Call Vote recorded by Carol Heales.

AYE/NAY

A Mr. Brass
A Ms. Griffiths
A Ms. Dunn
A Mr. Dredge
A Mr. Robertson

Motion passed 5-0

Mr. Robertson noted, one other item of business which goes back to the Budget Approval, as was mentioned, the Budget was passed with an increase in property tax figured in. To do that it requires a Truth & Taxation Hearing.

Mr. Nakamura noted we are required by law to have a Taxation Hearing and there are very stringent notice requirements. We have not adopted our Certified Tax Rate and he believes they came in today. We will agenda that items to adopt the Certified Tax Rate and at that time we will begin the notice requirements and establish a Hearing date.

G. MAYOR

1. Report

- ✓ Mayor ProTem Doug Hill noted the Mayor is attending the Power Association Conference and is out of the office.

- ✓ Mr. Hill wanted to mention the contractor will be doing the milling and overlay work on Vine Street and 4800 South starting this weekend. There will be some intermittent delays and road closures over the next five days on those two streets. After that they will have to come back and finish raising the manholes and water valves, etc. You will see some progress on that but the thing that everyone wanted, which was a smooth road, that should be taken care of by Monday or Tuesday of next week.

2. Questions of the Mayor

None

H. ADJOURNMENT

Recorded by Carol Heales, City Recorder